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**SAVINGS AND INVESTMENT  
CORPORATION MUTUAL FUND  
OF CANADA LTD**  
**ANNUAL REPORT**  
**1967**





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### Board of Directors

J. P. TARDIF, M.S.C.	President
P. CÔTÉ, A.D.B.A.	1st Vice President
F. SPÉNARD	2nd Vice President
A. VERGE, C.R.	Secretary

### Directors

L.F. MARTEL  
A. NOREAU  
B. E. LECLERC  
L. TARDIF  
L. P. GINGRAS  
H. BÉIQUE, Eng.  
J. P. GUIMONT, M.S.C., C.G.A.  
M. SAMSON, C.A.

### Bankers

PROVINCIAL BANK OF CANADA  
CANADIAN IMPERIAL BANK OF COMMERCE RC

### Depositary

SAVINGS AND INVESTMENT TRUST CO.

### Auditors

McDONALD, CURRIE & CO., C.A.  
ROBERT LEBOEUF, C.A.

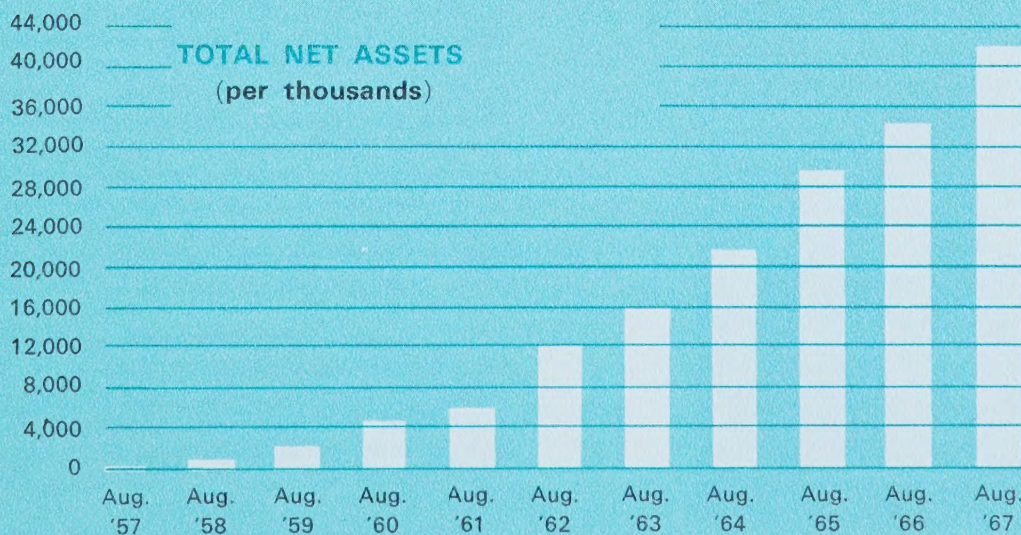
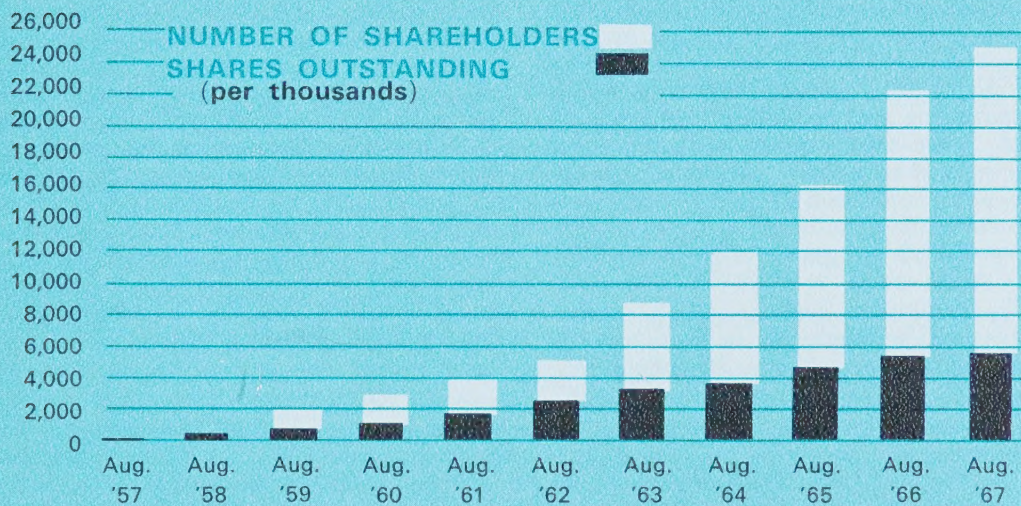
## HIGHLIGHTS (YEAR ENDED AUGUST 31, 1967)

	1967	1966	% Increase
Total net assets at market value.....	\$42,497,411	\$35,118,204.	21.0
Number of shares outstanding.....	5,717,427	5,387,618.	6.1
Shareholders.....	25,237	22,863.	10.2
Net assets per share.....	\$7.43	\$6.52	14.1
Net Earned Surplus since 1957.....	\$ 3,472,078	\$ 2,485,414.	39.6
Dividend per share.....	\$0.24	\$0.24	



# PERFORMANCE RECORD as at August 31st 1967

	TOTAL NET ASSETS	NET ASSETS PER SHARE	DIVIDENDS PER SHARE	OFFER TO THE PUBLIC HIGH	LOW
1967	\$42,497,411.	7.43	0.24	8.37	6.80
1966	35,118,204.	6.52	0.24	8.20	7.05
1965	31,996,535.	7.17	0.22	8.42	7.62
1964	22,491,683.	7.03	0.21	7.78	6.72
1963	16,675,486.	6.14	0.20	6.47	5.86
1962	12,032,488.	5.66	0.19	6.98	5.81
1961	7,655,731.	5.94	0.20	6.52	5.32
1960	4,554,971.	4.97	0.18	5.82	5.21
1959	3,312,444.	5.37	0.19½	6.14	5.66
1958	1,087,102.	5.15	0.17½	5.64	4.91





## PRESIDENT'S MESSAGE TO THE SHAREHOLDERS

On behalf of your board of directors, it is with great pleasure that I submit to you this eleventh annual report of your company's operations for the fiscal year ended August 31st, 1967, and which covers one of the most satisfactory phases in our history.

### CONTRADICTIONARY ENVIRONMENT:

We have again witnessed a contradictory period. But while 1966 was characterized by weak North-American markets in strong economies, the last twelve months, on the contrary, benefited from generally aggressive markets despite slumbering economies.

The markets' strength, however, has not been enjoyed in all sectors. The influence of the numerous economic, political and sociological tensions which have exerted pressures on our business environment has been felt very unequally by the various market segments. Side by side, we have observed the disconcerting weakness of well-known "blue-chip" stocks and the often spectacular rises of so-called "glamour" stocks. More than ever, rigorous selection has been the key to investment success. A good choice has been rewarded by gains often exceeding all hopes, while even a doubtful one was penalized by disturbing declines. Such market cross-currents can be explained in an economic environment dominated not only by inflationary

forces, but also by a slowdown in business activity and a squeeze in profit margins. The investor, institutional as well as individual, has sought common stocks to protect himself against inflation, but a specific security was picked only if it could offer a substantial growth potential far exceeding, for instance, that of the gross national product.

### OUR INVESTMENT POLICY:

Conscious of the prevailing market climate and trends, your administrators adopted a more aggressive and active investment policy at the beginning of the year. While maintaining approximately a 90% invested position in common stocks, or convertible preferred stocks and bonds, we endeavoured to concentrate our Canadian holdings into a more limited number of securities offering strong growth possibilities. Industries such as oil, nickel and sulfur producers as well as natural gas distributors were favored. At the same time, we increased our participation in U.S. stocks enjoying a strong scientific and technological evolution, companies unfortunately not having their equivalent in Canada. A more continental concept was therefore adopted. While accepting the risks of wider fluctuations, we have tried to minimize the latter by a closer every day supervision which has sought to take advantage of market cross-currents.

### PERFORMANCE AND GROWTH:

Your management is greatly encouraged by the tangible results of this new orientation in our investment policy. The net asset value of your shares has appreciated from \$6.52 to \$7.43, or 14.1%. After adding the four quarterly dividends totalling \$0.24 per share paid during the year, your net total gain per share reaches 17.6% (\$6.52 to \$7.43 + 0.24). This gain has been obtained by the realization of \$1,113,539. in capital profits and a net improvement of \$4,206,165. in the "unrealized appreciation" of our investments. Our earned surplus position, achieved through realized capital profits since the beginning of our operations in February 1957, now totals \$3,472,078.

It is also stimulating for your directors to observe your company's steady growth. During the year, its total net assets have increased from \$35,118,204. to \$42,497,411. or 21%, and the number of shareholders from 22,863 to 25,237, or 10.2%.

On page 5 of this report, you will find a chart which illustrates the performance and yield of a \$10,000. investment entrusted to your company in



J.-Paul Tardif, M.S.C.  
President



February 1957, and which takes into consideration the acquisition fees and the reinvested dividends (95% of our shareholders are using this option). The steady progression shown by this graph emphasizes the necessity to consider a mutual fund as a long term proposition. Market reactions simply offer excellent opportunities to invest at more attractive prices.

## OUTLOOK:

The current market strength cannot of course lead us to expect an early solution to present economic, political and sociological problems. At any time, economic visibility is limited, and it will always be so. The main uncertainties still revolve around the persistent increase of interest rates to record levels, the threats of paralysing strikes in key-industries, the quasi-inevitability of income-tax increases, and, above all, around the Vietnam war escalation whose dire effects on the U.S. balance of international payments and national resources are still difficult to evaluate. Nevertheless, these problems are well-known and have been at least partly discounted in the market place.

On the economic front, the pace of business is beginning to pick up and all signs seem to point to the renewal of a new expansion phase. The economy is in good posture for such an evolution. The consumer, who has saved more than usual during the last few months, is now in a good financial position to spend at a higher rate. Inventories having been lowered to a level more compatible with the business activity, will most likely experience a new reaccumulation in anticipation of the coming expansion phase in the economy.

On the monetary front, the persistent efforts, to reach an agreement on a system which would increase international liquidity to support an ever-expanding world trade, appear to be achieving results. On the domestic scene, it seems obvious that our governments, in order to maintain full employment and to prevent a severe recession, will persist in their acceptance of budgetary deficits and their expansion of the money supply despite the unfortunate inflationary repercussions.

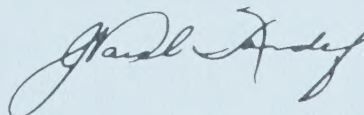
In such an environment, the investor will continue to favour common stock investing. The unrelenting inflationary process and the reasonable certainty of our economic growth make the risk of not being invested in stocks greater than those presented by the current uncertainties. The investor, nevertheless, will remain very sensitive to the fact that profit margins in many industries will continue to be squeezed still more severely mainly because of higher wages

not being adequately compensated by higher productivity. Rising prices and interest costs will also keep on exerting their negative influences, especially as competition will prevent many companies from passing all these higher costs to the consumer.

The investor's attention, therefore, will concentrate on companies which, because of the strength of their management, the dynamism and quality of their technological and scientific evolution, and other special factors, will be able to keep ahead of competition and thereby offer a strong growth potential both in their sales and profits. Your management will do its utmost to take advantage as quickly as possible of the opportunities which will certainly present themselves in the coming months. However, our relentless efforts to improve our performance will not mean the acceptance of undue risks which could place our portfolio in a vulnerable position. In other words, performance does not equate outright speculation. Long-term capital appreciation, while accepting reasonable but not excessive risks, will remain our basic investment policy's goal.

## APPRECIATION:

In conclusion, I would like to express, on behalf of your board of directors, our sincere gratitude for your continued support. We will endeavour to do our best to maintain this confidence. May I also extend our sincere appreciation to our employees and representatives, who by their work, their loyalty and their skill have contributed so much to the growth of our company and the improvement of our services to you.



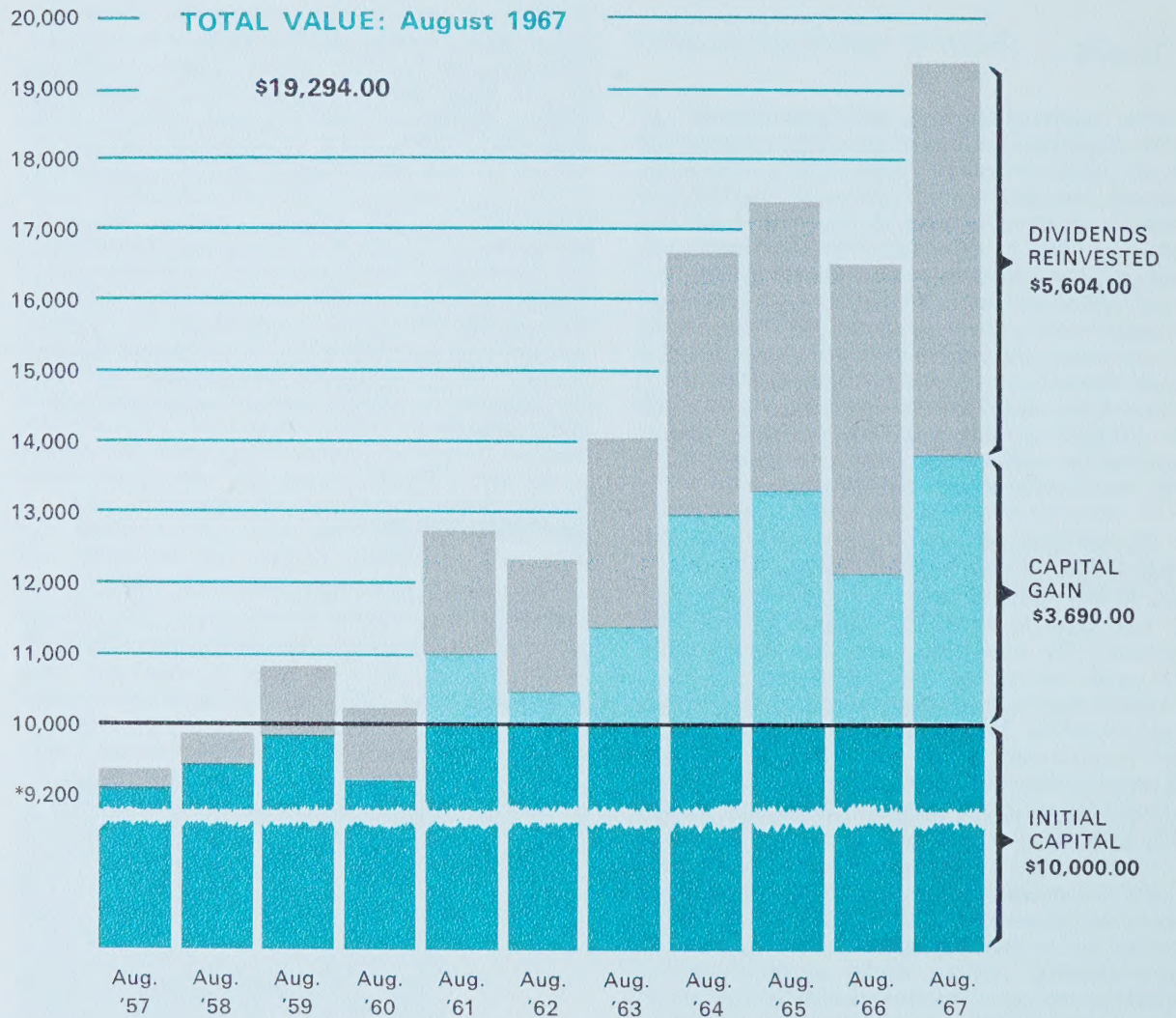
President.



## INVESTMENT PERFORMANCE OF \$10,000

### SAVINGS AND INVESTMENT CORPORATION MUTUAL FUND OF CANADA LTD.

(Fonds Mutuel Corporation de Prêt et Revenu du Canada Ltée)



\*Acquisition cost 8% deducted

The steady progression shown by this graph emphasizes the necessity to consider a mutual fund investment as a long term hold. Market reactions simply offer excellent opportunities to invest at more attractive prices.



## PROFESSIONAL MANAGEMENT

When you put your money to work in mutual fund shares, you know that a specialized, full-time organization of professional investment men is investing your money — constantly watching your investments — and making investment changes. It stands to reason that the chances of success are much better than would be the case for the average individual who tries to "go it alone".

By "pooling" large sums for many investors, a mutual fund can afford to employ an integrated staff of professional money managers, securities analysts and statisticians to evaluate the many investments held by your fund. These professionals are trained and experienced in the analysis of investment values. Their judgments are subjected to group discussion. Only when important factors point toward a purchase or sale is a recommendation made.

When the professional managers of your mutual fund ultimately select a security, they do not "buy and hold" it. They know that world events and the complex, constantly changing social, economic, business and governmental environment in which we live requires constant vigilance over all the securities owned by your fund.

In their attempt to make certain that each security held by your fund continues to meet the fund's investment objective and retains its original investment potential, the professional managers

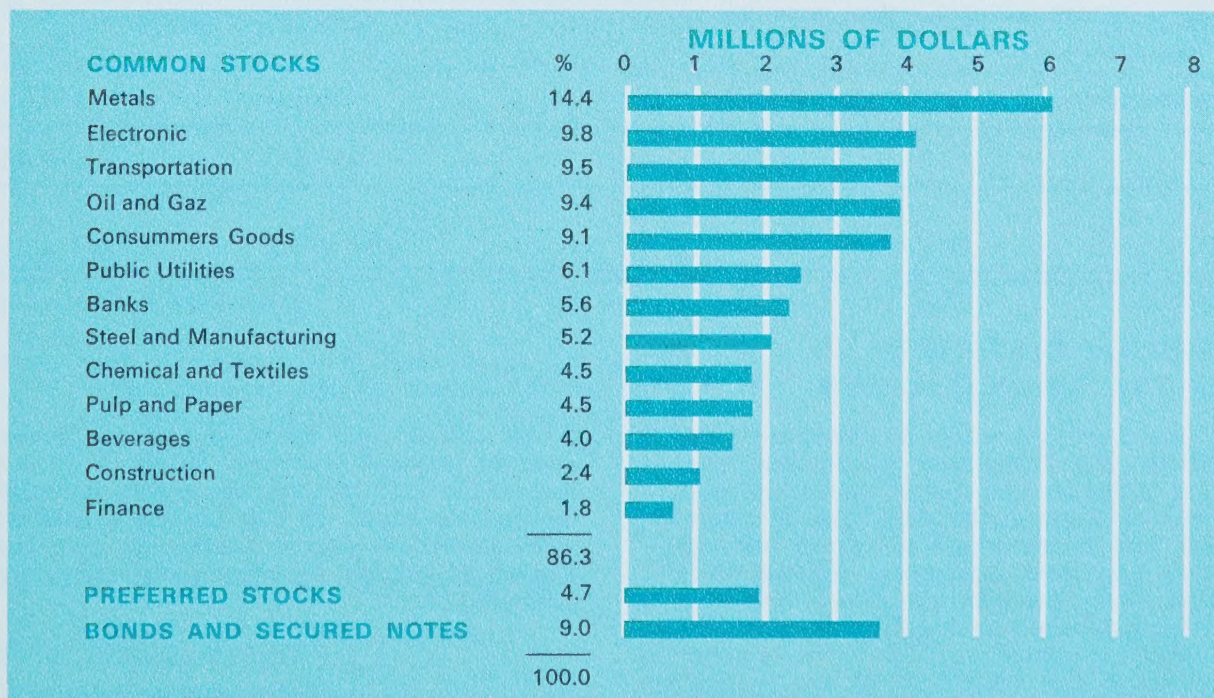
constantly check each holding. They continuously review a wide variety of statistical information on business conditions and the securities markets. They obtain the first-hand views of business leaders in face-to-face talks.

Your money — plus the money of many other shareholders — is invested in as many as 100 or more different securities. Your mutual fund shares, therefore, represent a proportionate interest in each one of these securities.

This diversification is one of the most important features of mutual fund investing. It hedges against the danger of depending on the success of one or even a few individual securities. It is a time-honored method of spreading — but not eliminating — the risks that are inherent in all investing ... risks that result from market fluctuations and errors in judgment.

The sole purpose of a mutual fund is to try to make money grow for its shareholders — or provide them with a good income — by buying, selling or holding securities.

You are paid your proportionate share of dividends and interest; you share in any net profits realized on the sale of the fund's holdings, and you participate in the potential appreciation of the fund which in the long term will increase the value of your shares, thanks to the experience, the knowledge and the supervision of your company's investment specialists.





# assets

INVESTMENTS — at market value:	1967	1966
	\$	\$
Government bonds and secured notes . . . . .	3,185,600	4,999,650
United States companies bonds . . . . .	567,525	—
Preferred stocks . . . . .	1,978,850	2,283,900
Common stocks —		
Canadian companies . . . . .	26,564,800	24,257,850
United States companies . . . . .	9,606,850	2,960,650
	41,903,625	34,502,050

The average cost of investments as at August 31, 1967 was \$39,561,732 (1966 — \$36,366,322).

## CURRENT ASSETS

Cash in bank and with a trust company . . . . .	480,192	475,487
Due by brokers . . . . .	—	16,595
Interest accrued and dividends receivable . . . . .	159,901	170,361
	640,093	662,443
	42,543,718	35,164,493

## AUDITOR'S REPORT TO THE SHAREHOLDERS

We have examined the balance sheet of Savings and Investment Corporation Mutual Fund of Canada Ltd. (Fonds Mutuel Corporation de Prêt et Revenu du Canada Ltée) as at August 31, 1967 and the statements of income and expenditure, unrealized appreciation (depreciation) of investments, premium on shares and surplus for the year ended on that date. Our examination included a general review of the accounting procedures and such tests of the accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, the accompanying balance sheet and statements of income and expenditure, unrealized appreciation (depreciation) of invest-

ments, premium on shares and surplus present fairly the financial position of the company as at August 31, 1967 and the results of its operations for the year ended on that date, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

McDONALD, CURRIE & CO.  
ROBERT LEBOEUF

*Chartered Accountants*

QUEBEC, September 12, 1967



**SAVINGS AND INVESTMENT  
CORPORATION MUTUAL FUND OF CANADA LTD.**

(Fonds Mutuel Corporation de Prêt et Revenu du Canada Ltée)



# liabilities

<b>CURRENT LIABILITIES</b>	<b>1967</b>	<b>1966</b>
	\$	\$
Accounts payable and accrued liabilities.....	39,645	36,187
Income taxes.....	6,662	10,102
	46,307	46,289

## SHAREHOLDERS' EQUITY

### CAPITAL STOCK

Common shares —				
Authorized, issued and fully paid:				
1,000 shares of a par value of \$1 each.....		1,000		1,000
Mutual fund shares of a par value of \$1 each (Redeem- able on demand by the holders at asset value) —				
	Shares 1967	Shares 1966		
Authorized (note)....	20,000,000	10,000,000		
Redeemed.....	750,303	1,630,343		
	<u>19,249,697</u>	<u>8,369,657</u>		
Outstanding:				
Issued and fully paid..	5,716,427	5,386,618	5,716,427	5,386,618
(The shares issued during the year were paid in cash)				
<b>PREMIUM RECEIVED ON SHARES ISSUED, LESS</b>				
<b>PREMIUM PAID ON SHARES REDEEMED.....</b>			30,966,013	29,109,444
<b>EARNED SURPLUS.....</b>			3,472,078	2,485,414
<b>UNREALIZED APPRECIATION (DEPRECIATION) OF</b>				
<b>INVESTMENTS.....</b>			2,341,893	(1,864,272)
			42,497,411	35,118,204
			42,543,718	35,164,493
Net asset value per share			\$7.43	\$6.52

Note: Supplementary letters patent dated October 31, 1966 have been issued to the company increasing its authorized capital in mutual fund shares at \$20,000,000.

SIGNED ON BEHALF OF THE BOARD

J. P. TARDIF                      Director

L. F. MARTEL                     Director



**STATEMENT OF INCOME AND EXPENDITURE**  
for the year ended August 31, 1967

<b>INCOME:</b>	<b>1967</b>	<b>1966</b>
	\$	\$
Dividends . . . . .	1,200,913	1,071,871
Interest . . . . .	307,770	328,779
	1,508,683	1,400,650

**EXPENDITURE:**

Management fees . . . . .	201,925	181,836
Custodian fees . . . . .	10,576	9,752
Directors' fees . . . . .	5,100	5,250
Legal fees . . . . .	3,501	580
Audit fees . . . . .	4,120	2,200
Stationery and printing . . . . .	14,775	10,913
Corporation taxes . . . . .	1,550	1,550
Bank charges . . . . .	1,108	1,502
Miscellaneous . . . . .	8,236	5,226
	250,891	218,809

<b>INCOME FROM INVESTMENTS BEFORE PROVISION FOR TAXES ON INCOME . . . . .</b>	<b>1,257,792</b>	<b>1,181,841</b>
<b>PROVISION FOR TAXES ON INCOME . . . . .</b>	<b>41,168</b>	<b>38,359</b>

**NET INCOME FROM INVESTMENTS FOR THE  
YEAR**

(excluding profit realized on sale of investments) . .	1,216,624	1,143,482
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**SAVINGS AND INVESTMENT  
CORPORATION MUTUAL FUND OF CANADA LTD.**

(Fonds Mutuel Corporation de Prêt et Revenu du Canada Ltée)



**STATEMENT OF SURPLUS**  
for the year ended August 31, 1967

	1967	1966
	\$	\$
<b>BALANCE AVAILABLE FOR DISTRIBUTION —</b> <b>BEGINNING OF YEAR</b> .....	2,485,414	1,890,409
Plus:		
Portion of premium received on sale of mutual fund shares transferred to surplus to equalize the a- mount per share available for dividend .....	36,350	49,963
Less:		
Corresponding portion of premium paid on re- demption of mutual fund shares .....	(24,422)	(15,546)
Profit realized on sale of investments .....	1,113,539	615,410
Net income from investments for the year .....	1,216,624	1,143,482
	4,827,505	3,683,718
Less:		
Dividends paid — (24c per share in 1967 and 24c per share in 1966)	1,355,427	1,198,304
<b>BALANCE AVAILABLE FOR DISTRIBUTION —</b> <b>END OF YEAR</b> .....	3,472,078	2,485,414





**STATEMENT OF PREMIUM ON SHARES**  
for the year ended August 31, 1967

	1967	1966
	\$	\$
<b>BALANCE — BEGINNING OF YEAR . . . . .</b>	29,109,444	23,375,122
Plus:		
Proceeds from sale of mutual fund shares of the capital stock, less \$1 per share, credited to capital stock — (1,080,112 shares in 1967 and 1,362,048 shares in 1966) . . . . .	6,754,069	9,052,362
	35,863,513	32,427,484
Less:		
Commissions paid on sale of shares . . . . .	299,449	592,587
Portion of premium received on sale of mutual fund shares, transferred to surplus to equalize the a- mount per share available for dividend . . . . .	36,350	49,963
Premium paid on redemption of mutual fund shares (750,304 shares in 1967 and 433,989 shares in 1966) . . . . .	4,561,701	2,675,490
	4,897,500	3,318,040
<b>BALANCE — END OF YEAR . . . . .</b>	30,966,013	29,109,444

**STATEMENT OF UNREALIZED APPRECIATION  
(DEPRECIATION) OF INVESTMENTS**  
for the year ended August 31, 1967

	1967	1966
	\$	\$
<b>BALANCE — BEGINNING OF YEAR . . . . .</b>	(1,864,272 )	2,271,445
Increase (decrease) for the year . . . . .	4,206,165	(4,135,717)
<b>BALANCE — END OF YEAR . . . . .</b>	2,341,893	(1,864,272)

**SAVINGS AND INVESTMENT  
CORPORATION MUTUAL FUND OF CANADA LTD. LTÉE**

(Fonds Mutuel Corporation de Prêt et Revenu du Canada Ltée)



# INVESTMENTS AS AT AUGUST 31, 1967



COMMON STOCKS	Number of shares	Market value	Percent of total investments at market value
		\$	%
<b>BANKS</b>			
Bank of Montreal.....	25,000	315,750	.8
The Bank of Nova Scotia.....	20,000	292,600	.7
Banque Canadienne Nationale.....	50,000	550,000	1.3
Canadian Imperial Bank of Commerce.....	35,000	481,250	1.1
The Provincial Bank of Canada.....	15,000	142,500	.3
The Quebec Savings Bank.....	14,000	91,000	.2
The Royal Bank of Canada.....	17,500	280,000	.7
The Toronto-Dominion Bank.....	15,000	202,500	.5
		2,355,600	5.6
<b>BEVERAGES</b>			
Crush International Limited.....	30,000	333,900	.8
Distillers Corporation — Seagrams Limited...	35,000	1,347,500	3.2
		1,681,400	4.0
<b>CHEMICAL AND TEXTILES</b>			
* Bristol Myers Company.....	6,000	498,850	1.2
DuPont of Canada Limited.....	5,000	145,000	.3
* Eli Lilly and Company — Class "B".....	4,300	527,575	1.3
* The B. F. Goodrich Company.....	7,000	472,750	1.1
Jefferson Lake Petrochemicals of Canada Ltd..	5,000	242,500	.6
		1,886,675	4.5
<b>CONSTRUCTION</b>			
Asbestos Corporation Limited.....	30,000	727,500	1.7
Dominion Bridge Company Limited.....	16,000	280,000	.7
		1,007,500	2.4
<b>CONSUMERS' GOODS</b>			
Imperial Tobacco Company of Canada Limited.	25,000	368,750	.9
Alfred Lambert Inc. — Class "A".....	7,500	136,875	.3
Lamontagne Limited — Class "A".....	6,900	103,500	.3
M. Loeb, Limited.....	20,000	257,600	.6
* M. C. A. Inc.....	10,000	602,700	1.4
* The Singer Company.....	8,000	631,825	1.5
* Spencer Gifts Inc.....	20,000	505,850	1.2
George Weston Limited — Class "A".....	35,000	647,500	1.6
Woodward Stores (1947), Limited Class "A"...	36,000	558,000	1.3
		3,812,600	9.1



COMMON STOCKS		Number of shares	Market value	Percent of total investments at market value
			\$	%
ELECTRONIC				
* American Broadcasting Companies Inc. . . . .	7,000	566,925	1.4	
* Avco Corporation . . . . .	5,000	306,100	.8	
* Dennison Manufacturing Company . . . . .	8,000	566,100	1.4	
* International Business Machines Corporation . . .	1,025	551,300	1.3	
* Litton Industries Incorporated . . . . .	5,000	526,025	1.2	
* Polaroid Corporation . . . . .	2,700	605,875	1.4	
* Sperry Rand Corporation . . . . .	10,000	442,650	1.1	
* Xerox Corporation . . . . .	1,400	396,650	.9	
* Zenith Radio Corporation . . . . .	2,000	139,925	.3	
		4,101,550	9.8	
FINANCE				
* American Express Company . . . . .	2,000	293,825	.7	
Industrial Acceptance Corporation Limited . . . .	20,000	452,600	1.1	
		746,425	1.8	
METALS				
Alcan Aluminium Limited . . . . .	40,000	1,145,200	2.7	
Craigmont Mines Limited . . . . .	15,000	178,200	.4	
Denison Mines Limited . . . . .	10,000	710,000	1.7	
Hudson Bay Mining and Smelting Co., Limited	10,000	610,000	1.5	
The International Nickel Company of Canada Limited . . . . .	16,000	1,648,000	3.9	
Noranda Mines Limited . . . . .	20,000	1,130,000	2.7	
Rio Algom Mines Limited . . . . .	20,000	645,000	1.5	
		6,066,400	14.4	
OIL AND GAS				
The British American Oil Company Limited . . .	25,000	962,500	2.3	
Canadian Petrofina Limited . . . . .	25,000	356,250	.8	
Central-Del Rio Oils Limited . . . . .	25,000	612,500	1.5	
* Coastal States Gas Producing Company . . . . .	10,000	505,850	1.2	
Imperial Oil Limited . . . . .	15,000	1,020,000	2.4	
* Sinclair Oil Corporation . . . . .	6,000	481,950	1.2	
		3,939,050	9.4	
PUBLIC UTILITIES				
The Consumers' Gas Company . . . . .	60,500	1,164,625	2.8	
International Utilities Corporation . . . . .	20,000	760,000	1.8	
Northern and Central Gas Company Limited . . .	50,000	631,500	1.5	
		2,556,125	6.1	



COMMON STOCKS	Number of shares	Market value	Percent of total investments at market value
		\$	%
<b>PULP AND PAPER</b>			
Consolidated Paper Corporation Limited.....	5,000	174,400	.4
Domtar Limited.....	25,000	340,750	.8
Fraser Companies Limited.....	15,000	270,000	.7
The Great Lakes Paper Company Limited.....	17,000	395,250	.9
MacMillan, Bloedel Limited.....	25,000	706,250	1.7
		1,886,650	4.5
<b>STEEL AND MANUFACTURING</b>			
The Algoma Steel Corporation Limited.....	20,000	472,600	1.1
Dominion Foundries and Steel Limited.....	20,500	499,800	1.2
Massey-Ferguson Limited.....	25,000	500,000	1.2
The Steel Company of Canada Limited.....	30,000	693,900	1.7
		2,166,300	5.2
<b>TRANSPORTATION</b>			
The Alberta Gas Trunk Line Company Limited — Class "A".....	15,000	566,250	1.4
Canadian Pacific Railway Company.....	28,000	1,890,000	4.5
* The New York Central Railroad Company.....	5,000	437,925	1.0
Westcoast Transmission Company Limited....	20,000	525,000	1.3
Western Air Lines, Inc.....	10,000	546,200	1.3
		3,965,375	9.5
<b>TOTAL COMMON STOCKS.....</b>		<b>36,171,650</b>	<b>86.3</b>
<b>PREFERRED STOCKS</b>			
Alcan Aluminium Limited 4¼% cumulative, convertible.....	10,500	397,750	.9
Anglo-Canadian Pulp and Paper Mills, Limited — 4½% cumulative, convertible.....	17,950	341,050	.8
Columbia Cellulose Company, Limited — \$1.20 cumulative, convertible.....	10,000	162,500	.4
Northern and Central Gas Company Limited \$1.50 cumulative, convertible.....	10,000	283,800	.7
Shell Investments Limited — 5½% cumulative, convertible.....	25,000	793,750	1.9
<b>TOTAL PREFERRED STOCKS.....</b>		<b>1,978,850</b>	<b>4.7</b>



BONDS AND SECURED NOTE	Par value	Market value	Percent of total investments at market value
		\$	%
<b>BONDS</b>			
<b>GOVERNMENT</b>			
City of Montreal 5¼% September 1, 1967 . . . .	300,000	299,350	.7
The Government of Canada			
5% October 1, 1973 . . . . .	1,000,000	942,500	2.3
6% December 15, 1971 . . . . .	1,000,000	1,000,000	2.4
Hydro-Quebec — 6% February 1, 1991 . . . . .	500,000	443,750	1.1
<b>CONVERTIBLE OR WITH WARRANTS</b>			
* Ling-Temco Vought Cum. 6¾% January 10, 1970 with 1,250 warrants . . . . .	250,000	398,225	.9
* Standard International Corp. convertible, sub- ordinated 5% January 8, 1987 . . . . .	150,000	169,300	.4
		3,253,125	7.8
<b>SECURED NOTE</b>			
Alliance Credit Corporation 6½% on demand . .	500,000	500,000	1.2
<b>TOTAL BONDS AND SECURED NOTE . . . .</b>		3,753,125	9.0
<b>TOTAL INVESTMENTS . . . . .</b>		41,903,625	100.0

\* United States companies common shares and bonds — valued as follows:

Average cost — At the rate of exchange prevailing at the date of purchase

Market value — At the rate of exchange prevailing as at August 31, 1967.



## PORTFOLIO TRANSACTIONS

September 1st, 1966 — August 31st, 1967

### PURCHASES

	Net Increase	New Total
<b>Canadian Securities:</b>		
Asbestos.....	5,000	30,000
Central Del Rio Oils.....	25,000	25,000
Consumers Gas.....	25,500	60,500
Crush International.....	30,000	30,000
Distillers Seagrams.....	5,000	35,000
Dominion Foundries & Steel.	20,500	20,500
Imperial Oil.....	3,000	15,000
International Nickel.....	1,000	16,000
Jefferson Lake Petrochemical	5,000	5,000
M. Loeb Ltd.....	20,000	20,000
Noranda Mines.....	5,000	20,000
Northern & Central Gas		
"B" \$1.50 cv.....	10,000	10,000
Shell Investment 5.5% cv. . .	10,000	25,000
Westcoast Transmission....	5,000	20,000
Weston, George "A".....	10,000	35,000
<b>American Securities:</b>		
American Broadcasting....	7,000	7,000
American Express.....	2,000	2,000
Avco Corp.....	5,000	5,000
Bristol Myers.....	6,000	6,000
Coastal States Gas Prod....	10,000	10,000
Dennison Manufacturing....	8,000	8,000
Eli Lilly "B".....	4,300	4,300
Goodrich, B.F.....	7,000	7,000
International Business		
Machine.....	275	1,025
Litton Industries.....	5,000	5,000
M.C.A., Inc.....	10,000	10,000
New York Central R.R.....	3,000	5,000
Polaroid Corp.....	2,200	2,700
Sinclair Oil.....	3,000	6,000
Singer Co.....	8,000	8,000
Spencer Gifts.....	20,000	20,000
Sperry Rand.....	10,000	10,000
Western Airlines.....	2,000	10,000
Xerox Corp.....	900	1,400
Ling Temco Vought cv.		
6¾% — 1/10/70.....	\$250.M	\$250.M
Standard International cv.		
5% — 1/8/87.....	\$150.M	\$150.M

### SALES

	Net Decrease	New Total
<b>Canadian Securities:</b>		
Bell Telephone.....	15,000	—
Canada Cement.....	7,000	—
Canadian Breweries.....	35,000	—
Denault Ltd.....	25,000	—
Denison Mines.....	5,000	10,000
Dominion Corset.....	9,000	—
Donohue Brothers.....	16,800	—
General Investment Corp....	2,500	—
Falconbridge Nickel.....	4,000	—
Husky Oil 5¼% cv.....	1,800	—
International Utilities		
\$1.32 cv.....	8,000	—
Lamontagne Ltd.....	100	6,900
MacMillan Bloedel pfd. (div.)	6,250	—
Massey Ferguson.....	20,000	25,000
Quebec Natural Gas \$5.40..	2,200	—
Quebec Natural Gas 5½%...	3,000	—
Quebec Natural Gas Wrts 66	6,000	—
Quebec Telephone.....	6,500	—
Rio Algom Mines.....	10,000	20,000
Rio Algom Mines \$5.80....	1,050	—
Rio Algom Mines Wrts.....	1,050	—
Sobeys Stores.....	20,000	—
Trans Canada Corporation		
Funds.....	20,000	—
Union Gas.....	33,000	—
<b>American Securities:</b>		
Addressograph & Multigraph	2,000	—
American Airlines.....	2,000	—
Avon Products.....	2,000	—
Crowell Collier.....	3,000	—
Emery Air Freight.....	2,000	—
Gen. Precision Instrument..	2,500	—
Grumman Aircraft.....	3,000	—
Minnesota Min. & Mfg....	1,000	—
Mobil Oil.....	2,000	—
Olin Mathieson Chem.....	2,000	—
Raytheon Co.....	4,000	—
Seaboard Air Lines R.R.....	2,000	—
United Aircraft.....	3,000	—
Wallace Tiernan Inc.....	2,000	—
Western Union Tel.....	3,000	—
White Motor.....	2,000	—

### Other Changes:

Banks — 5 x 1 split  
 Intl. Business Machine — 3 x 2 split and 2½% stock dividend  
 Sobeys Stores — 2 x 1 split  
 Woodward Stores — 2 x 1 split



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### SAVINGS AND INVESTMENT CORPORATION

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## OFFICES AND REGIONS

### HEAD OFFICE:

850 D'YOUVILLE SQUARE, QUEBEC, P.Q.

### REGIONS

### ADDRESSES

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MONTREAL — ST-JACQUES	225 St-Jacques St. West, — Montreal
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